CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

STATISTICAL LIBRARY
JAN 28 1935
NOT TO BE TAKEN AWAY

S. H. KRESS & COMPANY

ACCOUNTS
YEAR 1934

BUYING AND EXECUTIVE OFFICES
114 Fifth Avenue
New York, N. Y.

MRB
CORP. FILE

S. H. KRESS

A

SUBSIDIARY

Consolidated Balance S

ASSETS

CURRENT ASSETS:		
Cash in banks, in transit and on hand	$ 6,209,464.25	
U. S. Government securities, at cost (quoted market value $6,379,343.75)	6,379,828.15	
Sundry debtors	61,869.34	
Inventories of merchandise, including paid in transit, at cost or market, whichever is lower	11,934,275.54	
		$24,585,437.28
U. S. GOVERNMENT SECURITIES deposited in escrow under lease agreement (quoted market value $831,062.50)		833,353.12
LOANS AND ADVANCES TO LANDLORDS		329,547.80
DEFERRED CHARGES TO FUTURE OPERATIONS:		
Prepaid insurance premiums	$ 455,037.69	
Deferred rental expenses, prepaid rent, taxes, etc.	366,946.65	
		821,984.34
CAPITAL ASSETS:		
Fixtures and equipment, at cost $11,684,682.82		
Less—Reserve for depreciation 5,537,406.40	$ 6,147,276.42	
Leasehold and other improvements, proportion unamortized	8,269,590.34	
Land and buildings owned in fee, at cost $29,796,793.80		
Less—Reserve for depreciation 1,956,954.27	27,839,839.53	
Goodwill, leaseholds, etc.	1.00	
		42,256,707.29
		$68,827,029.83

To the Stockholders of
S. H. Kress & Company:

We have made an examination of the consolidated balance sheet of S. H the consolidated statement of income and surplus for the year 1934. In conn other supporting evidence and obtained information and explanations from off accounting methods and of the operating and income accounts for the year, t

In our opinion, based upon such examination, the accompanying consolid in accordance with accepted principles of accounting consistently maintained companies at December 31, 1934, and the result of operations for the year.

56 Pine Street,
New York,
January 25, 1935.

& COMPANY

ND

COMPANIES

heet, December 31, 1934

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable—trade creditors.....	$ 198,809.97	
Accrued expenses and miscellaneous accounts payable	1,548,245.57	
Reserve for Federal taxes (estimated).....	1,118,000.00	
Purchase money mortgages payable in 1935.	201,500.00	
		$ 3,066,555.54
CAPITAL STOCK AND EARNED SURPLUS:		
Capital Stock—		
Special preferred stock—6% cumulative:		
Authorized—1,000,000 shares of $10.00 each $10,000,000.00		
Issued 735,158 4/40 shares	$ 7,351,581.00	
Common stock without par value:		
Authorized—1,500,000 shares		
Issued 1,178,787 shares....	48,511,252.92	
	$55,862,833.92	
(Common stock reserved for sale to employees—34,217 shares)		
Earned Surplus, per statement attached.....	$11,851,151.48	
	$67,713,985.40	
Less—Cost of 189,065 20/40 shares of special preferred stock and 1,958 shares of common stock re-acquired and held in treasury....	1,953,511.11	
		65,760,474.29
		$68,827,029.83

NOTE.—Merchandise in transit unpaid amounting to $1,055,000. has not been included in the above accounts.

. Kress & Company and subsidiary companies as at December 31, 1934 and of ection therewith, we examined or tested accounting records of the companies and icers and employees of the companies; we also made a general review of the ut we did not make a detailed audit of the transactions.

ated balance sheet and related statement of income and surplus fairly present, y the companies during the year under review, the position of the combined

PRICE, WATERHOUSE & Co.

S. H. KRESS & COMPANY

AND SUBSIDIARY COMPANIES

Consolidated Profit and Loss and Surplus Account For the Year ending December 31, 1934

SALES		$75,662,273.59
DEDUCT—		
Cost of merchandise sold and operating expenses, including rent charged for owned stores	$68,334,900.66	
Provision for fixture depreciation and leasehold improvements amortization...	1,434,254.54	
Provision for Federal income and capital stock taxes (estimated)	1,073,240.06	
Interest paid on mortgages, etc.	9,396.88	
		70,851,792.14
		$ 4,810,481.45
ADD—OTHER INCOME:		
Rent charged for owned stores (included in cost of merchandise sold and operating expenses shown above) and rent received from tenants, less real estate expenses (including $510,875.51 as provision for building depreciation) applicable thereto	899,392.36	
Interest received	162,556.83	
		1,061,949.19
NET PROFIT FOR THE YEAR ENDING DEC. 31, 1934		$ 5,872,430.64
EARNED SURPLUS AT JANUARY 1, 1934		9,185,469.59
		$15,057,900.23
DEDUCT—		
Dividends on common stock:		
Cash dividends ($1.50 per share)	$ 1,759,333.50	
Stock dividends ($1.00 per share) paid in special preferred 6% cumulative stock	1,170,915.00	
	$2,930,248.50	
Cash dividends on special preferred 6% cumulative stock	276,500.25	
		3,206,748.75
EARNED SURPLUS AT DECEMBER 31, 1934		$11,851,151.48

The Company operated a total of 232 stores at the end of the year.